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7 May 1951

STAT

I appreciate your interest in coming to an issue on the above contract and regret to state that our final statement is not yet completed.

Our difficulty has been twofold. During the performance of this contract [redacted] this Agency was unfortunately not equipped to maintain the supervision and contact with the contractor which is needed for proper working out of all the problems that arise in the course of such a contract. Probably if we had been able to do this, the present situation would not have arisen. Since we have arrived at points of contention, however, we have to establish a position without the benefit of that earlier record which would have been prepared under proper contract supervision.

STAT

The divisions of the Agency concerned have made progress and I wish only to say that, as you have recognized in your letter, they are understaffed and overwhelmed with current work.

I am assigning one member of my staff to give priority to this problem and hope that under his guidance the statement may be organized within the next two weeks.

Very truly yours,

LAWRENCE R. HOUSTON
General Counsel

LRHOUSTON/ml1
cc: Subject
Chrono

25 YEAR RE-REVIEW